

Indiana House of Representatives

News and Information

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FOR IMMEDIATE RELEASE:

April 29, 2005

REP. JOE MICON'S STATEHOUSE REPORT

INDIANAPOLIS – The 2005 session of the Indiana General Assembly has just come to a close, but its impact will be felt for many years to come.

Some may choose to believe that this session will be defined through the passage of bills to help our economy or the plan to build a new stadium for the Indianapolis Colts, or even the effort to bring daylight-saving time to Indiana.

I believe the lasting memory of this session will be the passage of a biennial state budget that turns its back on Indiana's schoolchildren and property taxpayers.

After years of bipartisan efforts aimed at education reform and reducing property taxes, the majority parties in the Indiana House and Senate and Gov. Daniels have approved a budget that will cut funding for many schools and raise property taxes for most Hoosiers by nearly \$850 million.

Here are the basics of the budget as they appear in House Enrolled Act 1001:

- There is only 1 percent additional funding for public schools and it is directed to a handful of growing school corporations
- There are no minimum guarantees in state funding for schools. As a result, more than 140 school corporations with static or declining enrollment will receive less money.
- There will be reduced state support for local property taxpayers through the Property Tax Replacement Credit (PTRC) program, another move that will increase local property taxes; and
- Funding for Medicaid, the federal program that provides health care for the elderly, disabled and children, will increase by only 5 percent, even though costs are expected to rise 10 percent.

If you have children in school, how will this budget affect you?

It will be seen when schools are closed and teachers and staff are laid off.

It will be seen when classroom sizes increase forcing schools to abandon the central provision of the A-plus education reform program championed by Gov. Robert Orr back in 1987. Teachers will have less time to spend on individual instruction for students.

It will even be seen when schools are forced to eliminate athletic teams and other extracurricular activities like band, because the funding isn't there.

Supporters of this budget praise it as, in their words, "honestly balanced."

This budget is not balanced because the state does not make up delayed payments to school corporations across Indiana. By delaying these payments, we are forcing them to borrow money from banks and pay interest in order to meet operating costs. If the state would live up to its obligations, then it would not ignore these payments.

This budget is not balanced because it fails to address growth in health care costs. If Medicaid costs do rise by 10 percent, the state will be responsible for paying all of those bills, even if the budget does not contain adequate funding to cover those costs. By failing to include that funding in the budget, supporters cannot legitimately claim it is balanced.

This budget is not honest, either. It calls for increases in school funding, but only if local property taxes are raised.

School officials will have to raise property taxes in order to pay for textbook relief and transportation costs. To ensure our schools get the meager levels of support contained in HEA 1001, property taxes will have to be raised by nearly \$470 million.

If legislators who supported this budget want to be honest, they should admit that it is being balanced on the backs of our children and our taxpayers.

In the months to come, I will give you more information about the way this budget will adversely affect our schools and your pocketbook.

Since it has dominated the headlines in these final weeks of the session, let me also tell you that majorities in both the House and Senate have approved a plan to bring daylight-saving time to all of Indiana. The governor has announced he intends to sign this proposal into law.

There have been few issues that have generated the passionate debate of this proposed time change. The move to daylight-saving time will take effect in the spring of 2006 for all counties in Indiana, except for a few located in Northwest and Southwest Indiana. When the change is implemented, those counties always will be an hour behind the rest of the state.

The legislation does require that the governor ask the U.S. Department of Transportation conduct public hearings across Indiana to determine the possibility that the state move into the Central Time Zone.

In next week's Report, the last I will file for the 2005 legislative session, I will look at other bills that have been approved, as well as a few that did not become law.

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This Report can be accessed on the Internet at www.IN.gov/H26